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DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

Supervisor DRH

Inspection Report Minerals Regulatory Program

Report Date: December 17, 2004

Mine Name: Lisbon Valley Project

Operator or Permittee Name:

SUMMO USA

Permittee Mailing Address:

1776 Lincoln Str., Ste. 900, Denver, CO 80203

Permit number: M/037/088

Inspection Date: December 13, 2004

Inspector(s): Paul Baker and Daron Haddock

Other Participants: Bob Washnock (SUMMO) and Frank Bain (Moab BLM)

Permit Status: Active

Current Acreages:

Total Permitted (Bonded): 414

Total Disturbed: Unknown, probably about 30-40 acres.

Weather: Mostly clear, 40's, a few inches of snow in protected areas, very muddy

Inspection Start Time: 2:20 PM

Inspection End Time: 4:15 PM

Site location/Area Inspected (i.e. Pit #):

Primary crusher and reclaim tunnel construction areas. Also looked at the Centennial and GTO Pits that the operator has not yet disturbed.

Surface Ownership: BLM, SITLA, Fee

Mineral Ownership: BLM, SITLA

Mineral Mined: Copper

Type of Mine: Surface

Elements of Inspection	Evaluated	N/A	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (open shafts, adits, trash, signs, highwalls)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Explosives, magazines	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Concurrent Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Erosion Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Demolition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Backfilling and Grading (trenches, pits, roads, highwalls, shafts, drill holes)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Water Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Soils	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Air Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Inspection Date: December 13, 2004; Report Date: December 17, 2004
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Purpose of Inspection:

The operator began construction about a month ago, and I wanted to see how this was progressing and whether there were any concerns.

Inspection Summary:

1. Permits, Revisions, Transfer, Bond

The reclamation surety and contract were signed by the Acting Director of the Division of Oil, Gas and Mining on November 12, 2004, and final approval to begin operations was given November 15, 2004. Also on November 15, the Division received a letter saying construction would begin November 16.

On November 29, 2004, the Division received a request to re-access and re-drill five holes near the GTO Pit. The Division has yet to approve this request.

12. Soils

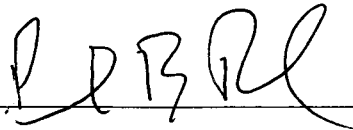
The operator has salvaged soil from the recently disturbed areas. The main stockpile is some distance to the west of where the crusher will be. Soil has been windrowed next to the parking area under construction.

15. Other

During the inspection, the operator was putting in reinforcing steel for the primary crusher (Photo 2) and was excavating a trench for the reclaim tunnel (Photo 1). Near the Lisbon Valley Road, an area was being graded for a parking lot. I saw no concerns with any of this activity.

Sediment control is not yet a concern, but we talked a little about what will be needed. Mr. Washnock said there is a plan that includes total containment for the plant area and that the Division of Water Quality should have a copy of this plan. I will look through the Division's files to see if I can find a copy.

Inspector's Signature



Date: December 17, 2004

PBB:jb

Enclosures: Photo Attachment

cc: Greg Hahn, SUMMO

Frank Bain, Moab BLM

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ATTACHMENT
Photographs

M/037/088, Lisbon Valley Project, SUMMO USA

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Photo 1. The two partly-visible trackhoes are in the trench being dug for the reclaim tunnel. Beyond the reclaim tunnel on the right is the crusher laydown area.

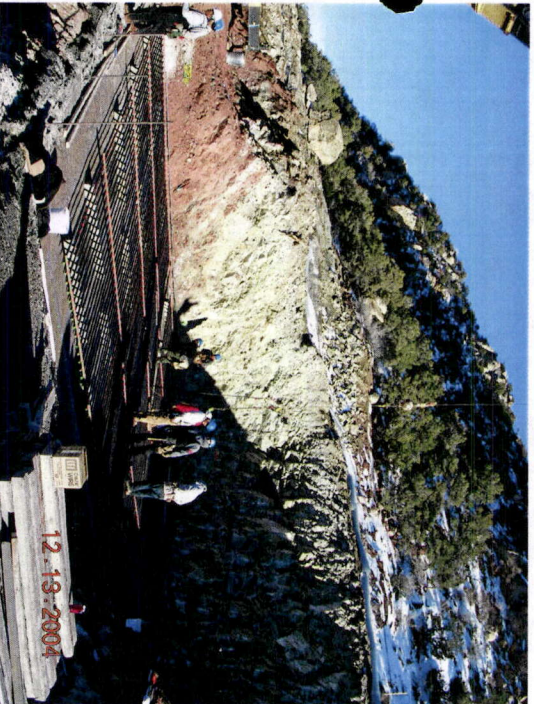


Photo 2. Reinforcing steel for the primary crusher foundation.